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Implementation of the proposals for action of the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests and the plan of action of the United Nations Forum on Forests: progress in implementation

Combating deforestation and forest degradation

Report of the Secretary-General

Summary

The present report summarizes the progress made in implementing the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests proposals for action relating to combating deforestation and forest degradation. Reference is made to national reports submitted to the Commission on Sustainable Development and reports of intersessional workshops, among other sources. These sources indicate that significant progress has been made in implementing the proposals for action. There has been substantial progress in the development of national policies relating to forests, often including participation by an increased range of stakeholders. Such developments have often, but not exclusively, been undertaken under the auspices of a national forest programme. Substantial progress has also been made in the development of criteria and indicators for sustainable forest management. Despite such positive trends, total forest area continues to decline in most regions of the world. Although substantial areas of plantation forests have been established, there is little evidence that the deforestation and degradation of natural forests has declined as a result.

Although progress has been made in analysing the underlying causes of deforestation, the findings do not appear to have contributed significantly to the policy developments that have taken place. There is therefore a need to incorporate research findings into national policies if deforestation is to be combated successfully. In addition, many countries have been unable to implement the

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strategies that they have developed. The main reasons for this, indicated in almost all country reports, are the shortage of funds and of qualified and well-trained personnel. This report also identifies three key emerging issues, namely, forest law enforcement, forest fires and so-called perverse subsidies. It is proposed that future action of the United Nations Forum on Forests focus on developing specific actions to address these causes of deforestation and forest degradation.

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I. Introduction

1. The Intergovernmental Panel on Forests/Intergovernmental Forum on Forests (IPF/IFF) process recognized that deforestation and forest degradation constituted a serious problem in many countries. The causes are complex. Many of the factors causing deforestation and forest degradation interact and some are synergistic. Many lie outside the forest sector, while others are linked to it. Most are socio-economic in nature. Experience accumulated in the last decades has shown the need to address the underlying causes, rather than symptoms, of deforestation and forest degradation, and has uncovered the major weaknesses of many current policies and strategies adopted to support and develop the multiple ecological, socio-economic and cultural roles of forests. Deforestation and forest degradation have national, transboundary, regional and global environmental consequences. In many cases, a lack of understanding of the underlying causes has led to inappropriate strategies for addressing the issue.

2. At its first meeting, the United Nations Forum on Forests decided, in its decision 1/2 (see E/2001/42 (Part II)) that its multi-year programme of work would embody Economic and Social Council resolution 2000/35 of 18 October 2000, with concrete activities defined for the next five years, focusing in particular on the implementation of the IPF/IFF proposals. The purpose of the present report is to support the activities carried out under the multi-year programme of work until the review of progress and consideration of future actions, scheduled for the fifth session of the Forum, has been conducted. The report describes progress made towards implementing the IPF/IFF proposals for action relating to the theme of combating deforestation and forest degradation. The short time interval between the first and second sessions of the Forum and the lack of a monitoring and reporting system within the Forum have been major constraints in preparing the report. It was prepared by the United Nations Environment Programme (UNEP) as the focal agency within the Collaborative Partnership on Forests for this programme element. Inputs and comments from other Partnership members and the United Nations Forum on Forests secretariat were provided during the preparation process.

II. Background

3. For the purposes of the present report, the IPF/IFF proposals for action relevant to the United Nations Forum on Forests element (combating deforestation and forest degradation) have been summarized by grouping related ones together. These summarized proposals for action are based on the Practitioner's Guide for the Implementation of the Intergovernmental Panel on Forests Proposals for Action, produced by the Six-Country Initiative in Support of the Intergovernmental Forum on Forests (Finland, Germany, Honduras, Indonesia, Uganda and the United Kingdom of Great Britain and Northern Ireland), and the Australian summary of the Intergovernmental Panel on Forests proposals for action. A number of proposals specifically relating to indigenous peoples and traditional forest-related knowledge will be addressed at the fourth session of the United Nations Forum on Forests and have therefore been omitted from this summary. The proposals summarized below do not replace the text negotiated by IPF and IFF.

Implementation of forest-related decisions at the national level

	Proposal for action	*Reference* IPF[a]	IFF[b]
I.	Study and analyse the historical and underlying causes of deforestation and forest degradation, including the impact of transboundary pollution, poverty, fuelwood collection and processes outside the forest sector, to provide factual information for improved public understanding and forest decision-making. Develop and test the usefulness of the diagnostic framework (see E/CN.17/1997/12, paras. 25 and 26) as an analytical tool in assessing options for forest utilization, then apply it more widely.	27 (a)-(c), 30 (a) and 31 (a) and (b)	64 (a) and (b)
II.	Provide information on underlying causes of deforestation and forest degradation and the multiple roles of forests, on the national, regional and international scale, and create awareness in the society at large on the importance of issues related to deforestation and forest degradation.	28 (c), 30 (a) and 31 (c)	64 (e)
III.	Enhance the role of forest plantations as an important element of sustainable forest management and as a mechanism for reducing deforestation and the degradation of natural forests.	28 (b)	64 (g)
IV.	Assess the long-term trends in the supply and demand for wood, promote sustainability of supply and strengthen institutions involved in forest and plantation management.	28 (a)	
V.	Develop and implement integrated national policies, strategies, economic instruments and mechanisms for supporting sustainable forest management and addressing deforestation and forest degradation in a participatory manner.	29 (a) and (b)	115 (c) and (g)
VI.	Improve cooperation, coordination and partnerships in support of sustainable forest management within a national forest programme by involving relevant stakeholders, including indigenous people, forest owners, women and local communities, in forest decision-making and utilizing appropriate expertise in international organizations.	17 (b), (f), (h) and (i), 40 (e), (g) and (n) and 77 (c) and (f)	19 (b), 64 (b), 66 and 140 (a)
VII.	Monitor, evaluate and report on progress in implementing a national forest programme, including the use of criteria and indicators to assess trends in the state of forests and progress towards sustainable forest management.	17 (a) and (d) and 71 (b)	17 (d) and 19 (a)

	Proposal for action	Reference IPF[a]	Reference IFF[b]
VIII.	Involve all interested parties in the extension, planning, implementation, monitoring and evaluation of forest research, with a focus on on-site research to support the implementation of national forest programmes.	17 (e) and 94 (d)	96 (d)
IX.	Introduce positive incentives to help combat deforestation and forest degradation.	-	64 (h)
X.	Formulate policies aimed at securing land tenure for local communities and indigenous people, including policies aimed at the fair and equitable sharing of the benefits of forests, and develop mechanisms to improve land access and use of forest resources on a sustainable basis.	29 (c)	64 (c) and (d)

[a] References are to paragraphs in the final report of the Intergovernmental Panel on Forests (E/CN.17/1997/12).

[b] References are to paragraphs in the final report of the Intergovernmental Forum on Forests (E/CN.17/2000/14).

International cooperation in financial assistance and technology transfer

	Proposal for action	Reference IPF[a]	Reference IFF[b]
XI.	Continue the implementation of various measures aimed at effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, particularly the poorest and heavily indebted countries, including exploring the opportunities for innovative mechanisms, such as debt-for-nature swaps related to forests and other environmentally oriented debt-reduction programmes.	67 (g)	
XII.	Support and promote local community involvement in sustainable forest management through technical guidance, capacity-building, information dissemination and provision of economic incentives and legal frameworks and by facilitating access to domestic and external markets of forest products and services.	70 (c) and 77 (f)	64 (f) and (i)

[a] References are to paragraphs in the final report of the Intergovernmental Panel on Forests (E/CN.17/1997/12).

[b] References are to paragraphs in the final report of the Intergovernmental Forum on Forests (E/CN.17/2000/14).

International organizations and multilateral institutions and instruments

Proposal for action	*Reference*	
	IPF[a]	*IFF*[b]
XIII. Analyse the impact of foreign debt on deforestation and forest degradation and explore innovative financial approaches and schemes for helping countries to promote sustainable forest management.		64 (j)
XIV. Study the relationship of land tenure issues to deforestation and forest degradation.		67

[a] References are to paragraphs in the final report of the Intergovernmental Panel on Forests (E/CN.17/1997/12).

[b] References are to paragraphs in the final report of the Intergovernmental Forum on Forests (E/CN.17/2000/14).

III. Implementation of the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests proposals for action and the United Nations Forum on Forests plan of action

A. Progress in implementation

4. Many activities are being undertaken by countries, multilateral organizations and stakeholders either in direct response to the IPF/IFF proposals or in support of them. The present report attempts to provide an overview of such activities corresponding to the specific proposals for action. At present, there is no formal monitoring and reporting system within the United Nations Forum on Forests. As a consequence, the findings of the report should be considered tentative and incomplete. In order to assess action towards implementation, the following sources were consulted:

(a) National reports submitted to the Commission on Sustainable Development;

(b) Reports of relevant intersessional workshops and associated documentation (e.g., the Six-Country Initiative and the Eight-Country Initiative);

(c) Responses to an informal questionnaire circulated to more than 100 national contact points; 9 responses were received and analysed;

(d) Collaborative Partnership on Forests members and a number of both multilateral and non-governmental organizations were also invited to report on relevant activities undertaken;

(e) Surveys of the implementation of the proposals, for example *Keeping the Promise?*[1] a review undertaken by non-governmental organizations (NGOs) and indigenous peoples' organizations in select countries;

(f) "Global Forest Resources Assessment 2000" and *State of the World's Forests 2001*, produced by the Food and Agriculture Organization of the United Nations (FAO).

5. The national reports to the Commission on Sustainable Development were to report specifically on the implementation of all chapters of Agenda 21,[2] in accordance with General Assembly resolution 50/113 of 20 December 1995. The information in these reports relating to forests varies substantially in detail. In addition, many of the reports have not been updated in several years, and therefore are of limited value for assessing national implementation of the IPF/IFF proposals. Profiles were consulted for 86 countries. Only 37 per cent of these referred explicitly to the IPF/IFF proposals. However, 51 per cent of countries reported that forest policies had recently been revised, often in the light of the proposals.

6. Particular reference was made to the report of the Global Workshop on Addressing the Underlying Causes of Deforestation and Forest Degradation, held in San José, from 18 to 22 January 1999 (E/CN.17/IFF/1999/18, annex), which explicitly aimed to support the implementation of the related IPF proposals for action. The global workshop was preceded by a workshop for indigenous peoples' organizations and seven regional workshops, held between July 1998 and January 1999 in Canada, Chile, Ecuador, Fiji, Germany, Ghana, Indonesia and the Russian Federation. The workshops were organized by the Joint Initiative on Addressing the Underlying Causes of Deforestation and Forest Degradation. Action taken to implement the proposals are summarized in the annex.

(a) Country experiences and lessons learned

7. The Joint Initiative on Addressing the Underlying Causes of Deforestation and Forest Degradation highlighted the value of exchanging information concerning country experiences by profiling case studies through a series of workshops. The workshops were highly participatory, involving a wide range of stakeholders, and were of undoubted value in exchanging information and identifying underlying causes common to different countries. However, the fact that the results of the different case studies were not presented within a consistent framework hindered comparison. Although reference was made to the diagnostic framework explicitly mentioned in the relevant IPF proposal for action, the case studies provided little evidence of application of the framework, and provided an inadequate basis for evaluating the usefulness of this approach. As a result, it is difficult to generalize from the information provided; it is not clear how representative the case studies were.

8. These experiences, together with methodological refinement and other research initiatives such as those undertaken by the Centre for International Forestry Research (CIFOR), highlight the difficulty of analysing the underlying causes of deforestation: the issue is complex and not readily amenable to analysis. Further development of diagnostic tools to assess such processes may therefore be necessary. In particular, there is a need to build capacity within countries to make it possible for such analyses to be undertaken at the national level.

9. The importance of recognizing the direct and indirect causes of forest loss is widely appreciated by countries, together with an understanding that these causes are in most cases political in nature. The successful implementation of the proposals for action at the country level therefore relies greatly on the political will of

Governments and civil society. Significant progress has undoubtedly been made towards implementing some of the proposals for action. For example, most countries have developed national policies relating to forests in recent years, often through increased dialogue with different stakeholders. Substantial efforts have also been directed at developing criteria and indicators for sustainable forest management, reflected in the initiation of nine major processes, collectively involving more than 140 countries. However, analyses indicate that deforestation is continuing in most regions of the world (see table 1), suggesting that forest policies still do not adequately address the underlying causes of deforestation and forest degradation. This may be attributed partly to inadequate cross-sectoral policy harmonization, a lack of integration between research on underlying causes and policy development, an issue of relevance to the task force developed recently by the International Union of Forest Research Organizations.

Table 1
Change in forest cover 1990-2000

	Total forest (thousands of hectares)		*Forest cover change (1990-2000)*	
Country/area	*1990*	*2000*	*Annual change (thousands of hectares)*	*Annual change rate (percentage)*
Africa	702 502	649 866	-5 262	-0.78
Asia	551 448	547 793	-364	-0.07
Oceania	201 271	197 623	-365	-0.18
Europe	1 030 475	1 039 251	881	0.08
North and Central America	555 002	549 304	-570	-0.10
South America	922 731	885 618	-3 711	-0.41
World	3 963 429	3 869 455	-9 391	-0.22

Source: "Global Forest Resources Assessment 2000", Food and Agriculture Organization of the United Nations.

10. One of the key proposals for addressing deforestation and forest degradation relates to enhancing the role of planted forests in sustainable forest management. Substantial increases in the area of planted forests have been recorded in many countries. However, approximately half of these have been established by conversion from natural forest (table 2), illustrating that the establishment of plantations can in some cases be considered as a cause of deforestation, rather than as a mechanism for reducing it.

Table 2
Annual change in the area of planted forests, 1990-2000 (millions of hectares per year)

	Gain		
Domain	*Conversion from natural forest*	*Afforestation*	*Net change*
Tropical areas	+1.0	+0.9	+1.9
Non-tropical areas	+0.5	+0.7	+1.2
World	+1.5	+1.6	+3.1

Source: Food and Agriculture Organization of the United Nations.

11. Overall, the most significant constraints to implementation of the IPF/IFF proposals for action reported by countries are:

(a) A lack of institutional capacity and technical expertise;

(b) A lack of available finance, attributed partially to a decline in official development assistance, international debt and economic crises;

(c) Low political commitment to the forest sector.

12. Other constraints to implementation identified by countries included inadequate:

(a) Public and stakeholder participation, reflecting in part a lack of public awareness;

(b) Information reflecting limited capacity in research and information management;

(c) Institutional coordination, particularly with respect to the need to consider forest issues in an intersectoral environment;

(d) Management of the transition from State ownership of forests to increased private ownership and the transfer of responsibilities through decentralization and privatization;

(e) Infrastructure;

(f) Compatibility between the IPF/IFF proposals for action and priority areas for Governments, such as poverty eradication;

(g) Involvement of some stakeholders, including women, indigenous people and forest dwellers;

(h) Coordination between donor activities;

(i) Incentives for rural populations to conserve and manage their local forest resources or the existence of substantial disincentives;

(j) Support by Governments to provide the local organizations to which they devolve responsibility, with sufficient real authority and support to enable them to exercise their rights and manage their forests effectively.

(b) Emerging issues relevant to country implementation

13. The Joint Initiative on Addressing the Underlying Causes of Deforestation and Forest Degradation highlighted underlying causes of particular importance, including the lack of access to land and resources, unequal terms in the current international trade regime, undervaluation of most forest services, illegal logging and inappropriate government policies, such as road-building and subsidies. Global trends affecting the implementation of the proposals include a decrease in traditional sectoral approaches, increasing reliance on market-based instruments, greater roles for NGOs and the private sector, a focus on decentralization and participation and macroeconomic reforms and globalization.

14. Research by CIFOR on underlying causes has suggested that:

(a) Capital-intensive technologies suited for agricultural frontier conditions and production for export are likely to increase the conversion of forest land;

(b) Commercial factors and macroeconomic changes can have a far greater impact than shifting agriculture practices on deforestation and forest degradation;

(c) The decentralization that is occurring in many tropical countries can bring benefits to many poor rural people in heavily forested areas, including greater access to forest resources, but weak local technical capacity, limited national support and organizational problems among small-scale loggers undermine prospects for sustainable forest management.

15. A key issue that has emerged recently is forest law enforcement, from the recognition that the illegal harvesting of forest products, illegal trade, wildlife poaching and corruption are major threats to forests worldwide. In May 1998, the Group of Eight Major Industrialized Countries launched an Action Programme on Forests, which allots high priority to solving the problem of illegal logging. The Forest Law Enforcement and Governance East Asia Ministerial Conference, which took place in Bali, Indonesia, from 11 to 13 September 2001, was aimed at sharing information and experience on forest law enforcement. The meeting resulted in a ministerial declaration in which participating countries committed to intensify national efforts, to strengthen bilateral, regional and multinational collaboration to address violations of forest law and forest crime and to create a regional task force on forest law enforcement and governance to advance the declaration's objectives. The declaration also called for the United Nations Forum on Forests to give greater consideration to the issue of forest crime.

16. A second emerging issue highlighted by a large number of countries is forest fire, particularly in the wake of the catastrophic fires of 1998 and their threat to the global environment and regional stability. There is a clear need to analyse the underlying causes of fire, building on research activities of organizations such as CIFOR. The results of such research need to be transferred into policy, and the capacity of countries to predict and manage fire needs to be strengthened. Initiatives such as Project FireFight, a global programme that addresses the underlying causes of forest fires, may provide a suitable model for further action. The project is a collaborative effort between the World Conservation Union, the World Wildlife Fund, CIFOR, the Global Fire Monitoring Centre, the Food and Agriculture Organization of the United Nations (FAO) and UNEP, and identifies stakeholders, their fire use and practices and ways in which they can work to improve fire management policies. Information services such as the Global Fire Monitoring Centre can also play an important role in identifying and responding to fire risks.

17. A third emerging issue relates to the so-called perverse subsidies, which are widely recognized as a major underlying cause of deforestation. Some countries are undermining forest protection through the provision of subsidies that accelerate forest loss or degradation, including support for road construction and other infrastructure that benefits logging companies, and provision of grants and loans to companies engaged in logging.

(c) Promoting public participation

18. Overall, progress in promoting public participation in action directly in support of the IPF/IFF proposals for action appears to be limited. A number of national and international NGOs and indigenous peoples' organizations have played a major role in raising awareness of deforestation issues among the general public, for example, through the development of campaigns. Deforestation has also become the focus of

increased attention in both national and international media. There has undoubtedly been an international trend towards increased stakeholder involvement in the development of national forest policies, and in many countries this has involved public consultation processes, including public meetings and provision of discussion forums. Some countries report specific actions encouraging involvement of the public at large directly in reforestation activities, for example, by forming voluntary brigades and youth groups and through tree-planting campaigns.

19. There is widespread recognition in many countries that stakeholder participation in sustainable forest management must be strengthened, in accordance with guidelines for the development of national forest programmes agreed upon by IPF. Global trends towards decentralization could provide opportunities to achieve this, particularly if bridges between the national and subnational levels in policy development and implementation can be strengthened. Some countries also report significant progress in strengthening public involvement in action designed to reduce pressure on forests, such as recycling schemes for wood products and promotion of certified wood products. This is done by raising public awareness through information campaigns, such as the incorporation of forest issues in secondary school curricula. However, some countries report significant public apathy towards environmental conservation ethics and practices, and note that for the general public in many tropical countries, deforestation issues are given low priority compared with the daily struggle for livelihood.

(d) Enabling environment

20. In many countries there have been significant improvements regarding the legal framework for sustainable forest management and forest-related policies. At the national level, a key problem is the low commitment and priority accorded to the forest sector, often caused by a failure to demonstrate the contribution of the sector to socio-economic development. Accordingly, opportunities for funding are often missed by not linking forests to priority concerns such as poverty reduction and sustainable development. A continuing decline in commodity prices at the international level is preventing the forest sector from yielding adequate surpluses for investment in sustainable forest management. Markets for forest products tend to favour low-priced products, often coming from non-sustainable harvesting. Promoting remunerative trade and fair prices therefore has a potentially important role in making sustainable forest management possible.

21. Other important factors constraining investment are insecure tenure, policy and market failures, high levels of actual and perceived risk owing to factors outside sectoral control, lack of suitable credit options and weak and unstable regulatory environments that encourage rather than discourage unsustainable or illegal logging practices. Factors that would raise operational costs or reduce returns (such as over-regulation, undeveloped markets, etc.) act as disincentives to private investors in sustainable forest management. Making sustainable forest management more profitable and less risky through policy interventions would increase the self-financing prospects of the sector and permit the mobilization of new private investment. However, in many countries there is a need for external public funding to support capacity-building, the development of appropriate legal frameworks and the creation of socio-economic conditions conducive to investment in sustainable forest management. Many developing countries face a general lack of funds, too few professional people and communication problems. As a result, the practical

implementation of national forest programmes and criteria and indicators for sustainable forest management needs strengthening. In contrast, the Joint Initiative on Addressing the Underlying Causes of Deforestation and Forest Degradation noted that in some countries undergoing rapid economic development, economic growth is being achieved at the expense of environmental conservation and social justice.

(e) International and regional cooperation

22. The need for international and regional cooperation in both identifying and addressing the underlying causes of deforestation is recognized by many countries. Substantial efforts have been made to develop such cooperation. Examples of initiatives relevant to the theme of the present report include:

(a) The Joint Initiative on Addressing the Underlying Causes of Deforestation and Forest Degradation, established in 1997, which involved a participatory process from the local to the international level, undertaken in seven regions and globally. The Initiative also established new partnerships among countries, NGOs and United Nations agencies;

(b) In 1998 the Six-Country Initiative in Support of the Intergovernmental Forum on Forests was carried out by Finland, Germany, Honduras, Indonesia, Uganda and the United Kingdom to test the implementation of the IPF proposals for action at the national (or in one case federal state) level. Based on this experience, a "Practitioners Guide for the Implementation of the Intergovernmental Panel on Forests Proposals for Action" was developed;

(c) In September 2000, the government-led Eight-Country Initiative was launched by Australia, Brazil, Canada, France, Germany, the Islamic Republic of Iran, Malaysia and Nigeria, aiming to assist the international community in developing the multi-year programme of work of the United Nations Forum on Forests;

(d) The International Tropical Timber Organization (ITTO) Objective 2000 embodies members' commitment to move as rapidly as possible towards achieving exports of tropical timber and timber products from sustainably managed sources through international cooperation and national policies and programmes and involving the Bali Partnership Fund as an additional financial mechanism;

(e) The Group of Eight Action Programme on Forests, which represents the first consolidated experience for the members of the Group of Eight in working together on the world's forests, includes strengthening or initiating bilateral activities with partner countries to support national forest programmes;

(f) The Ministerial Conference on the Protection of Forests in Europe provides a forum for developing regional cooperation relating to the implementation of IPF/IFF proposals in Europe.

B. Means of implementation

(a) Finance

23. The inadequate availability of financial resources is widely acknowledged to be a major constraint in the implementation of the IPF/IFF proposals aimed at

combating deforestation. However, there is a lack of detailed information on current financial flows affecting forests. In particular it is difficult to differentiate between financial flows that effectively combat deforestation and those that may promote it (e.g., perverse incentives).

24. Forestry funding comes from three main sources: domestic official allocations; external official development assistance; and the commercial private sector (both domestic and foreign). Non-profit funding sources such as trust funds are also emerging, principally to support the environmental and conservation activities of NGOs or community groups. In all developing regions, high priority is given to investment in forest resources development, including the establishment of plantations. In general, the developing countries also give prominence to forest industries, utilization of forest products or other value-adding activities, while their external partners that provide official development assistance have recently tended to favour natural resource conservation.

25. The provision of official development assistance for the forestry sector by a variety of donor countries, plus multilateral organizations such as the Organisation for Economic Cooperation and Development, FAO, the United Nations Development Programme (UNDP), ITTO, the World Food Programme, the European Commission, the World Bank and the regional development banks, totalled an estimated $1.0 to 1.5 billion from 1995 to 1997, representing a decline from a peak of over $2 billion in the early 1990s.[3] As stated above, there are no data available to assess to what extent this funding was successfully directed towards combating deforestation. The declining trend in official development assistance (see table 3) is recognized by a number of recipient countries as a significant factor constraining the implementation of the proposals for action.

26. In the context of the present report, the key issue is whether sufficient financial support is available to implement the IPF/IFF proposals relating to combating deforestation and forest degradation. Data of sufficient precision are not available to address this question, except in very general terms. Information on financial flows from sources other than official development assistance is particularly lacking. With respect to official development assistance, an analysis of the information available suggests that institutional development tends to attract a greater proportion of the external aid required than sustainable development of forest resources, with assessment and monitoring receiving the lowest proportion of resources required. There are also significant differences between regions in the amount of official development assistance received.

Table 3
Estimated official development assistance flows to the forestry sector (commitments, 1996, in millions of United States dollars)[3]

	1988	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*[a]	*1997*[a]
Bilateral										
Non-European Union	470	330	432	522	401	357	283	458	511	301
European Union[b]	504	548	605	630	624	500	515	531	469	456
Total	**974**	**878**	**1 037**	**1 152**	**1 025**	**858**	**798**	**989**	**980**	**757**
Multilateral										
Multilateral development banks	470	384	902	487	958	300	820	177	148	271
United Nations agencies	249	247	241	240	230	212	253	235	220	217
Total	**719**	**632**	**1 143**	**727**	**1 187**	**512**	**1 072**	**412**	**368**	**488**
All donors										
Estimate	1 692	1 510	2 180	1 879	2 212	1 369	1 870	1 401	1 349	1 246
Upper limit	1 862	1 764	2 398	2 147	2 488	1 506	2 116	1 587	1 554	1 458
Lower limit	1 523	1 256	1 962	1 610	1 937	1 232	1 624	1 215	1 143	1 033
Excluding World Bank	1 495	1 337	1 410	1 591	1 527	1 226	1 205	1 326	1 309	1 065
FAO questionnaire data	1 427		1 678			1 658				

[a] Estimates for 1996 and 1997 are less reliable.
[b] Includes the Commission of the European Communities.

27. Overall, analyses suggest that the official development assistance currently being provided represents less than 20 per cent of the annual funding needs estimated in chapter 11 of Agenda 21.[2]

28. The roles of the public and private sectors in forestry financing are changing, with the latter showing an increase of 60 per cent since 1991. There is a clear need for detailed data providing information on financial flows that effectively combat deforestation, versus public and private financial flows that are directed towards the forestry sector in general. On the basis of such data, there should be a radical rethinking of the strategies designed for the implementation of sustainable forest management, including the promotion of strong partnerships among government institutions, private establishments, bilateral and multilateral assistance agencies, research institutions, local communities and NGOs, supported by appropriate policies, strategies and regulatory mechanisms. Such partnerships need to be accompanied by increased coordination between organizations providing finance. The need for such approaches is recognized in the revised forest strategy developed by the World Bank Group in 2001.

(b) Transfer of environmentally sound technologies

29. There is an unprecedented accumulation of technological capability in the world today, including many developments with direct applicability to the forest sector. Many technological developments remain unrecognized, underutilized or inadequately shared. Ways in which some countries have applied specific technologies to combating deforestation include:

(a) Increased application of remote-sensing and geographic information system technologies to assess the condition and extent of the forest cover;

(b) The development of information systems for the assessment of forest areas, including the development of tools to provide an early-warning service for specific threats, such as fire;

(c) The development of wood recovery and recycling technologies to reduce pressure on natural forests;

(d) The development of improved harvesting and other silvicultural operations to reduce negative environmental impacts, such as reduced-impact logging methods.

30. A number of countries report the development of forest resource information systems, which will give stakeholders access to a network of information and tools for sustainable forest management. However, there is clearly an ongoing need to make the benefits of such technology available to a wider range of users and to continue the process of transferring technology from developed to developing countries. There is also a need for increased exchange of experience and technologies among developing countries and for greater use of indigenous technologies and traditional forest-related knowledge, where appropriate.

(c) Capacity-building

31. The importance of recognizing the direct and indirect causes of forest loss is widely appreciated by countries, together with an understanding that these causes are in most cases political in nature. The successful implementation of the proposals for action at the country level therefore relies greatly on the political will of Governments and civil society. Significant progress has undoubtedly been made towards implementation of some of the proposals for action. For example, most countries have developed national policies relating to forests in recent years, often through increased dialogue with different stakeholders. Substantial efforts have also been directed at developing criteria and indicators for sustainable forest management, reflected in the initiation of nine major processes, collectively involving more than 140 countries. However, analyses indicate that deforestation is continuing in most regions of the world (see table 1), suggesting that forest policies still do not adequately address the underlying causes of deforestation and forest degradation. This may be attributed in part to inadequate cross-sectoral policy harmonization and a lack of integration between research on underlying causes and policy development, an issue of relevance to the recently developed International Union of Forest Research Organizations task force.

32. The United Nations Forum on Forests has recognized the need for capacity-building to help implement the IPF/IFF proposals for action. Inadequate human capacity includes the general shortage of trained staff, and a lack of management,

planning and implementation skills constitute major weaknesses. Specific needs identified by countries include:

(a) Capacity-building programmes for local communities as a mechanism for increasing the marketing of certified forest products;

(b) Monitoring and combating illegal trade in forest products;

(c) Forest legislation and rights, successful technologies, international and national marketing, best practices in national forest programmes and cross-sectoral and sectoral issues;

(d) Strengthening of institutions involved in policy development and implementation;

(e) Application of criteria and indicators at the national and forest management unit level.

33. International organizations, including Collaborative Partnership on Forests members such as UNDP, FAO and ITTO, continue to play a major role in building capacity in such areas. However, in the context of the present report, there is a clear need to strengthen the capacity of countries to analyse the underlying causes of deforestation and to develop national policies in response to the results of such analyses for deforestation to be successfully combated. There is also a clear need to disseminate and publicize more widely successful initiatives in this area.

IV. Conclusions

34. Notable progress has been made in implementing many of the IPF/IFF proposals for action relating to combating deforestation and forest degradation. Some countries have analysed the underlying causes of deforestation with the support of international initiatives and cooperation and with technical assistance from research organizations and the NGO community. Further efforts are required to define underlying causes in more detail. In particular, there is a need to build capacity within countries to conduct such analyses at the national level.

35. There has also been substantial progress in the development of national policies relating to forests, often including participation by an increased range of stakeholders. Many countries have formulated new national forest programmes. Many have also developed new strategies or master plans for forestry, frequently based on the results of remote sensing, geographic information system technology and new forest inventories. A number of countries have also devolved substantial responsibility for implementation to regional or local authorities. It is less clear how often such policy developments have been undertaken as a direct response to the IPF/IFF proposals. However, a few countries have reported in detail on progress towards implementation of the proposals, for example, in reports to the Commission on Sustainable Development, and from such assessments it is clear that some countries are confident that substantial progress has been made in implementation.

36. Despite such positive trends, the total forest area continues to decline in most regions of the world. Although substantial areas of plantation forests have been established, often following high levels of investment from the private sector, there is little evidence that deforestation and the degradation of natural forests has

declined as a result. In fact, evidence suggests that in some countries the establishment of plantations may be a major factor leading to loss of natural forests.

37. Continuing declines in natural forest area suggest either that the IPF/IFF proposals for action are not being implemented effectively or that their successful implementation is not having the desired effect. The assessment of the implementation of the proposals for action is greatly hindered by the lack of any formal process for monitoring and assessment. The development of such a process should therefore be a high priority for forthcoming years. In contrast, substantial progress has been made in the development of criteria and indicators for sustainable forest management, following the initiation of a number of global and regional processes during the past two decades. The debate generated by these processes has undoubtedly focused attention on forest issues, and has been accompanied by a general increase in public awareness of deforestation and its impact. However, the practical implementation of criteria and indicators is still at a relatively early stage, and provides little evidence of any improvement in the status of forest resources.

38. It is clear that there is variation among countries in the progress achieved in implementing the proposals for action. There is therefore a need to build political will, not only to implement the proposals, but also to examine critically the status and trends in forest resources and the underlying causes of changes in forest extent and condition. In this context the lack of suitable approaches to assessing the extent of forest degradation, as opposed to the loss of forest cover, is a key problem.

39. Although progress has been made in analysing the underlying causes of deforestation, the findings of such analyses do not appear to have contributed significantly to the policy developments that have taken place. Therefore, if deforestation is to be combated successfully, there is an urgent need to incorporate the findings of research into national policies. In addition, many countries have been unable to implement the strategies that they have developed. The main reasons for this, advanced in almost all the country reports, are the shortage of funds and of qualified and well-trained personnel. Many developing countries need increased financial support, institutional strengthening and capacity-building. As official development assistance for the forest sector is declining, new approaches will need to be developed to generate increased financial resources at the national level. There is also a need to use the available funds more efficiently. Increased coordination between donors at the national level could make a significant contribution to achieving this objective.

40. The present report has identified three key emerging issues, namely forest law enforcement, forest fires and perverse subsidies. It is proposed that the United Nations Forum on Forests focus on addressing these causes of deforestation and forest degradation.

V. Suggestions for consideration by the United Nations Forum on Forests at its second session

41. At its second session the Forum may wish to:

(a) Invite the donor community to support members of the Collaborative Partnership on Forests in developing a capacity-building programme for developing countries that would permit an assessment of the underlying causes of deforestation

and forest degradation and the incorporation of research results into national policy initiatives;

(b) Invite the donor community to support developing countries in predicting and managing the impact of forest fires, for example through the Working Group on Wildland Fire recently established by the Inter-Agency Task Force for Disaster Reduction;

(c) Focus on developing specific actions to address the lack of forest law enforcement, forest fires and perverse subsidies, as they are becoming major causes of deforestation and forest degradation in many countries;

(d) Request the ad hoc expert group on finance, to be established at the second session:

(i) To conduct a rigorous investigation of government subsidies that promote forest destruction and degradation and to propose that the Forum address this theme;

(ii) To consider the feasibility of a mechanism for South-South knowledge exchange on national funds and other innovative mechanisms for financing action to combat deforestation and forest degradation.

Notes

[1] Verolme, H. J. H., Mankin, W. E., Ozinga, S., Ryder, S. *Keeping the promise? A Review of NGOs and IPOs of the Implementation of the UN Intergovernmental Panel on Forests*. Biodiversity Action Network, Washington, U.S.A., 2000. Also available at http://www.forestpolicy.org.

[2] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: *Resolutions adopted by the Conference*, resolution 1, annex II.

[3] Madhvani, A. An Assessment of Data on ODA Financial Flows in the Forest Sector. Overseas Development Institute, London, 1999.

Annex

Summary of progress made in implementing the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests proposals for action

A. Implementation of forest-related decisions at the national level

Proposal for action	*Action towards implementation*
I. Study and analyse the historical and underlying causes of deforestation and forest degradation.	No actions are referred to in national reports to the Commission on Sustainable Development. In the questionnaire, approximately 50% of countries reported having undertaken some form of analysis. The Joint Initiative on Addressing the Underlying Causes of Deforestation and Forest Degradation based its analysis of the underlying causes on 40 new and existing case studies from more than 30 countries, profiled in a global workshop and a series of regional workshops. The case studies were based on the IPF diagnostic framework. Research by the Centre for International Forestry Research (CIFOR) on this theme has focused on Bolivia, Cameroon, Indonesia, Southern and Eastern Africa and Central America. The resolutions adopted at the Ministerial Conference on the Protection of Forests in Europe initiated broad technical and scientific cooperation focusing on the underlying causes of forest degradation and deforestation at the national and regional levels involving permanent monitoring and networks of permanent pilot sites.
II. Provide information on the underlying causes of deforestation.	Information on the causes of deforestation is provided in about 10% of reports submitted to the Commission on Sustainable Development, however very little reference is made to the *underlying* causes of deforestation and forest degradation. The Underlying Causes Initiative provided relevant information on 40 case studies from over 30 countries. The Group of Eight Major Industrialized Countries has begun work on a collaborative initiative to consider the enhanced use of remote sensing as a tool to inventory, assess, monitor and manage forests. CIFOR has published a number of books and reports on this theme.

Proposal for action	*Action towards implementation*
	The Global Forest Resources Assessment 2000, produced by the Food and Agriculture Organization of the United Nations (FAO), provides information on underlying causes from country reports. Non-governmental organizations (such as the World Resources Institute, the World Wildlife Fund, the Overseas Development Institute and Greenpeace) and intergovernmental organizations such as FAO and the United Nations Environment Programme, have played a major role in raising awareness in society at large of the importance of issues related to deforestation and forest degradation. Information is provided through reporting, publishing and public awareness activities of the Ministerial Conference on the Protection of Forests in Europe, including results of the monitoring activities which are published annually by the Economic Commission for Europe (ECE) and the European Commission; a decentralized database containing forest fire statistics and on research into forest ecosystems (containing 1,198 institutions, scientists and projects) has been established on the Internet.
III. **Enhance the role of forest plantations in sustainable forest management.**	Actions are referred to in 25% of national reports to the Commission on Sustainable Development, mostly in the context of increasing the area of plantation forests. However, the extent to which such plantations are successful in reducing deforestation and forest degradation receives very little attention. The Global Forest Resources Assessment 2000 indicated that the average rate of successful plantation establishment from 1990 to 2000 was 3.1 million hectares per year. Half of the new plantation area was on land converted from natural forest (i.e., representing reforestation on cleared natural forest land). In addressing this proposal for action, the Underlying Causes Initiative highlighted the negative role that plantations can play in deforestation and forest degradation, such as the substitution of native forests and increased pressure on land resources.
IV. **Assess the long-term trends in the supply and demand for wood.**	No actions are referred to in national reports to the Commission on Sustainable Development.

Proposal for action	*Action towards implementation*
	Every two years FAO compiles the State of the World's Forests report, supported by regional outlook studies, which include statistics on production, imports, exports and consumption per product type and country (and also region). In the 2001 report, an assessment of trends throughout the 1990s was made on the basis of various FAO, International Tropical Timber Organization (ITTO) and International Trade Centre UNCTAD/WTO assessments.
V. Develop national policies and mechanisms for supporting sustainable forest management.	Relevant actions are referred to in 45% of national reports to the Commission on Sustainable Development. Evidence from ITTO and the Underlying Causes Initiative indicates that most countries have developed national policies relating to forests in recent years, although not always involving the participation of a broad range of stakeholders.
VI. Improve cooperation, coordination and partnerships in support of sustainable forest management within a national forest programme.	Relevant actions are referred to in 38% of national reports submitted to the Commission on Sustainable Development, although national forest programmes are not always referred to explicitly. However information on the degree of stakeholder participation is often very limited. Although most countries have national forest programmes in various stages of development, surveys by FAO indicate that such programmes are being implemented in only 44% of countries; many have stalled owing to a lack of human, institutional and financial resources, as well as the absence of adequate policies, coordination and public participation mechanisms. A team of specialists on participation and partnership in forestry has been established by the Joint FAO/ECE/International Labour Organization Committee on Forest Technology, Management and Training in order to clarify the concept of participation and to develop a conceptual framework.
VII. Monitor, evaluate and report on progress in the implementation of a national forest programme, including the use of criteria and indicators.	Relevant actions are referred to in 35% of national reports submitted to the Commission on Sustainable Development, although national forest programmes are not always referred to explicitly. At least 140 countries are participating in at least one of the nine major processes on criteria and indicators, which include ITTO and the Dry Zone Africa, Pan-European, Montreal, Tarapoto and Lepaterique Initiatives.

Proposal for action	*Action towards implementation*
	The Group of Eight members developed an Action Programme on Forests involving the establishment of a public-private stakeholder process on the implementation of criteria and indicators. The Ministerial Conference on the Protection of Forests in Europe identified appropriate participatory mechanisms involving all interested parties as an essential element of national forest programmes in the pan-European context, and succeeded in developing a common understanding of such policies in that context.
VIII. Involve all interested parties in forest research.	Relevant actions are referred to in 10% of national reports submitted to the Commission on Sustainable Development, although little information is provided regarding the proportion of interested parties that have been involved in the research. The International Union of Forest Research Organizations established a task force to strengthen the interface between forest science and policy. Work is currently in progress; the approach being taken is to identify 40 to 50 case studies from around the world that describe how research results have successfully influenced forest policies.
IX. Introduce positive incentives to help combat deforestation and forest degradation.	Few relevant actions are referred to in national reports submitted to the Commission on Sustainable Development; most incentives mentioned refer to plantation establishment. However the role of certification in providing such incentives receives widespread recognition. Results from the questionnaire indicated that less than 20% of countries had introduced incentives. A review undertaken by FAO provided information on national forest funds in 41 countries, which indicated that a large number of countries had established such funds to provide some degree of assured continuity in funding for their forest sectors. Some countries, including Colombia, Costa Rica, Japan and the United States of America, transfer part of the revenues generated from water supply and hydropower generation to finance forest management programmes in the watersheds. Costa Rica has extended the concept to raising revenues from energy taxes and compensating private landowners for conserving and managing forests on their lands.

Proposal for action	*Action towards implementation*
	Considerable progress has been made in building a consensus on financing sustainable forest management through an international process on financing strategies in sustainable forest management (workshops in Pretoria, 1996; Croydon, United Kingdom, 1999; and Oslo, 2001).
X. Formulate policies aimed at securing land tenure for local communities and indigenous people.	Very few relevant actions are referred to in national reports submitted to the Commission on Sustainable Development. Results from the questionnaire indicated that approximately 50% of countries had developed mechanisms to improve land access and the use of forest resources on a sustainable basis. In recent years many improvements have been made regarding security of tenure. This has been the focus of many international initiatives, such as the Bogor (Indonesia) Declaration on cadastral reform and the Potsdam Statement on rural development. In addition, many bilateral and multilateral institutions for development cooperation have launched campaigns on secure tenure and introduced new programmes on land policy, management and cadastre. The Ministerial Conference on the Protection of Forests in Europe has developed a common pan-European tool which aims to further promote sustainable forest management in Europe by translating the international commitments down to the level of forest management planning and practices.

B. International cooperation in financial assistance and technology transfer

Proposal for action	*Action towards implementation*
XI. Implementation of measures aimed at the external debt problem.	Approximately $159 million in debt has been retired in debt-for-nature swaps focusing on forests. In 1998 the United States enacted the Tropical Forest Conservation Act, which allows developing countries to restructure their debt to the United States in exchange for action in support of tropical forest conservation. The results of the questionnaire indicated that a minority of countries (less than 30%) had conducted an analysis of the impact of foreign debt and had explored innovative financial approaches.

Proposal for action	*Action towards implementation*
XII. Support and promote local community involvement in sustainable forest management.	The Underlying Causes Initiative highlighted many specific actions, including establishing community-directed research programmes and microenterprises, increasing capacity-building for the marketing of independent third-party certified forest products and developing policies and an enabling environment to ensure effective community forest management. Individual Group of Eight members have expanded their activities to promote community involvement in sustainable forest management. The FAO Community Forestry Unit has played a major role in supporting community involvement through technical guidance, capacity-building and information dissemination. The World Conservation Union has formed a Working Group on Community Involvement in Forest Management to draw and apply lessons from field experience and to persuade Governments and donor agencies to become more responsive to community conservation efforts. In some countries community involvement is now a well-established and integral part of the framework for forest management, however, many countries are still at an early stage in introducing forms of community forestry appropriate to their situations.

C. International organizations and multilateral institutions and instruments

Proposal for action	*Action towards implementation*
XIII. Analyse the impact of foreign debt on deforestation and forest degradation.	The UNDP Programme on Forests and the Centre for International Forestry Research have organized a series of workshops (in Pretoria, Croydon and Oslo) that examined in depth the issue of financing sustainable forest management; a wide range of international organizations contributed to those meetings, which explicitly explored innovative financial approaches and schemes for helping countries to promote sustainable forest management. A wide variety of organizations, including the Chr. Michelsen Institute, the Institute of Development Studies, the United Nations Research Institute for Social Development and the World Resources Institute, have also engaged in analysing the impact of foreign debt on deforestation.

Proposal for action	*Action towards implementation*
XIV. Study the relationship of land tenure issues to deforestation and forest degradation.	A number of international organizations have been active in this area, including the Centre for International Forestry Research, the International Centre for Research in Agroforestry, the World Bank, FAO, UNEP and UNDP (e.g., its Programme on Forests); the results have been disseminated in reports and publications.